

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
August 21, 2012

THE STATE OF TEXAS §
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COUNTY OF MONTGOMERY §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Regular Session, open to the public, on the 21st day of August, 2012, at 6:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the roll was called of the duly elected officers and members of the Board of Directors, to-wit:

Connie Bloodworth	Chair
Linda W. Floyd	Vice Chair
Marlene Idoux	Secretary
Brenda Webb	Treasurer
Dale Martin	Director
Vickie Thumann	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

with all of said persons being present, except Director Thumann, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks, Mr. Cory Burton, Mr. Joe Costanza, Ms. Virginia Blake, Mr. Andy Dill and several others from the community, as reflected on the attached Audience Sign-In Sheet.

The Chair called the meeting to order and announced that a quorum was present. Director Ybarra led in prayer followed by the pledge of allegiance led by Director Wetz.

As the first order of business, the Board considered comments from members of the audience. In connection therewith, Chairman Bloodworth noted that no one had signed up to address the Board.

The Board next considered the approval of the minutes of the Board of Directors meetings held on July 12, 2012 and July 24, 2012. In connection therewith, Director Floyd noted that the July 24, 2012, minutes contained a few discrepancies which had been corrected in the draft being reviewed. The Board next reviewed the revised minutes. After discussion on the matter, Director Ybarra moved that the minutes of the Board of Directors meetings held on July 12, 2012 and July 24, 2012, be approved as written. Director Martin seconded said motion, which unanimously carried.

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The Board next considered the engagement of auditor for the preparation of a Sales Tax Report (the "Report") for Montgomery County Emergency Services District No. 6 and Montgomery County Emergency Services District No. 7 for the fiscal year ending June 30, 2013. In connection therewith, Ms. Blake stated that the engagement being submitted for Board approval is for the Report that was presented to the Board at the meeting last month for the fiscal year ending in 2012. After discussion on the matter, Director Webb moved to defer the engagement of auditor for the fiscal year ended 2012 until the next meeting, and revise the Sales Tax Report agenda item on the September meeting agenda to reflect the 2012 fiscal year end. Director Floyd seconded said motion, which unanimously carried.

The Board next considered the financial and investment reports, and authorizing payment of invoices presented. In connection therewith, Mr. Burton presented the financial and investments reports, copies of which are attached hereto, and presented the invoices for payment. Following review, Director Floyd moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 9684, 9715 and 9722 through 9800, inclusive, with check nos. 9684 and 9715 being voided, debits for payroll and three (3) wires, and on the Special Events Fund at Plains State Bank being check nos. 2295 through 2298, as set forth on the attached reports. Director Webb seconded said motion. A discussion then ensued and Director Webb recommended that the payment of the bills be deferred until the Board has a chance to review the bills. Director Idoux then requested copies of said invoices and noted she would like to defer payment on all invoices until the board received the invoices requested at the meeting on July 24, 2012. Director Floyd then suggested that the Board authorize payment of the invoices that have deadlines. After discussion, Director Floyd made a motion to amend the previous motion to authorize the payment of the invoices that are the normal, reoccurring operating expenses, and to defer payment of any extraordinary invoices. Director Webb seconded said motion, which amended motion unanimously carried. Thereafter, the Chair called for a vote on the motion as amended, which unanimously carried.

The Board next considered the approval of an appointment to the Board of Directors of the East Montgomery County Scholarship Foundation ("EMCSF") to fill the vacancy created by the expired term of Sue Warren. In connection therewith, Director Floyd made a motion to appoint Director Martin to serve on the EMCSF Board of Directors. Director Webb seconded said motion,

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which unanimously carried.

The Board next considered the status of development of the District's 12.85 acre site, including the construction of improvements and the leasing of space in the District's office building. In connection therewith, Mr. McCrady stated that he had nothing new to report.

The Board next recessed to Executive Session at 6:53 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 7:46 p.m.

The Board next considered a report on activities within the Industrial Park. In connection therewith, the Board deferred the approval of an Incentive Agreement and to authorize preparation of a Purchase and Sale Agreement with Liberty Concrete Products LLC.

The Board next considered the status of the Purchase and Sale Agreement with Petroleum Oil Tools, Inc. In connection therewith, Mr. McCrady noted that the documents are at the title company.

The Board next considered the status of a Purchase and Sale Agreement relative to WorldFab, Inc. ("WorldFab"). In connection therewith, Mr. McCrady reported that the Agreement has been sent to WorldFab for review and execution.

Mr. McCrady next announced the conversion of State Highway 59 to Interstate 69.

The Board next considered matters for possible placement on future agendas. In that regard, Director Idoux questioned when the next workshop meeting would be held. Chair Bloodworth advised that the Board will have Committee meetings over the next two (2) to three (3) weeks, and that a workshop meeting will be scheduled after the committees have met.

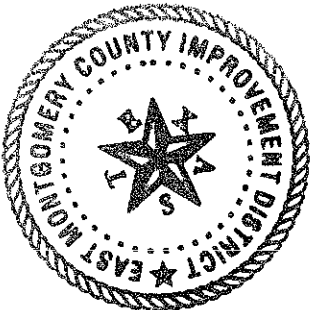
Mr. McCrady next requested that the regular meeting scheduled for September 13, 2012, be rescheduled to September 11, 2012.

Mr. McCrady next noted that the Back to School Bash is scheduled for September 6, 2012, from 5:00 p.m. to 8:00 p.m.

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There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)



Marlene Adony
Secretary, Board of Directors